

Message Text

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ACTION AID-31

INFO OCT-01 EA-07 ISO-00 EB-08 IGA-02 OMB-01 TRSE-00
AGRE-00 SP-02 L-03 CIAE-00 INR-07 NSAE-00 OES-06
/068 W

-----242059Z 073285 /41

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FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 0007

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E.O. 11652: N/A
TAGS: EAID
SUBJECT: INDONESIAN RICE PURCHASES

1. MAJOR GENERAL BUSTANIL ARIFIN, CHIEF OF BULOG, CALLED ME
ASIDE AT RECEPTION MARCH 23 TO EXPLAIN INDONESIAN WORRIES OVER
FUTURE U.S. PL-480 TITLE I POLICIES TOWARD INDONESIA.

2. REFERRING TO RECENT VISIT OF JAMES P. BULLION, U.S.
DEPARTMENT OF AGRICULTURE, HE SAID INDONESIA WAS SURPRISED
AND CONCERNED OVER APPARENT HARDENING OF U.S. ATTITUDE ON
FUTURE PL-480 RICE DELIVERIES. HE WAS PARTICULARLY DISTURBED
BY CONDITIONS THAT INDONESIA MUST PURCHASE 25,000 TO 30,000
TONS OF RICE BEFORE THERE CAN BE ANY FURTHER PL-480 DELIVERIES.
THIS UNDERSTANDING ON HIS PART HAS APPARENTLY COME FROM A
U.S. GRAIN TRADER CURRENTLY VISITING JAKARTA SINCE IT WAS NOT
A CONDITION PUT FORTH DURING BULLION'S VISIT. HE SAID THIS
HAD HAPPENED TO INDONESIA ONCE BEFORE, THEY HAD MADE PURCHASES,
AND THEN THERE HAD BEEN NO SUBSEQUENT PL-480 DELIVERIES.
(ON FURTHER INQUIRY I DISCOVERED ARIFIN WAS REFERRING TO
INSISTENCE BY CONGRESSMAN PASSMAN IN 1974 THAT INDONESIA
PURCHASE RICE FROM CONNELL RICE AND SUGAR CO.)

3. INDONESIA NEEDED RICE ON CONTINUING BASIS PRIMARILY
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FOR AREAS OUTSIDE JAVA AND BALI. ARIFIN HAD EXPLAINED
ENTIRE SITUATION TO PRESIDENT DAY BEFORE AND HAD RECEIVED
PRESIDENT'S APPROVAL IMMEDIATELY TO PURCHASE 300,000 TONS
ANY WHERE ON BEST AVAILABLE TERMS. ARIFIN EXPLAINED HE
NEEDED TO SCHEDULE SHIPMENTS NOW TO SUMATRA FOR MONTHS OF
APRIL, MAY AND JUNE.

4. ARIFIN SAID HE HAD ALSO SPECULATED TO PRESIDENT SUHARTO THAT HARDENING OF U.S. PL-480 TERMS MIGHT SOMEHOW BE RELATED TO HUMAN RIGHTS ISSUE OR TO RECENT PUBLICITY ON ALLEGED KILLINGS IN EAST TIMOR.

5. IN RESPONSE I ASSURED ARIFIN THAT PROBLEM OF FUTURE PL-480 ALLOCATIONS WAS BUDGETARY AND IN NO WAY RELATED TO OTHER FACTORS. I EXPRESSED SOME REGRET THAT IDEA HAD BEEN PUT TO PRESIDENT SUHARTO SINCE, AS I EXPLAINED TO ARIFIN, WE WERE SEEKING QUITE GENUINELY TO REASSURE PRESIDENT REGARDING ATTITUDE OF NEW ADMINISTRATION TOWARD INDONESIA.

6. ON PL-480 ITSELF, I SAID IT WAS NOT UNREASONABLE FOR U.S. WHEN IT OBSERVED SUBSTANTIAL INDONESIAN CASH PURCHASES ELSEWHERE, TO FEEL THAT INDONESIA SHOULD PURCHASE SOME IN U.S. I STRESSED THAT SUGGESTION MADE BY BULLION IN NO WAY RESEMBLED EARLIER PROPOSAL BY CONGRESSMAN PASSMAN. ARIFIN SAID HE WAS PREPARED TO PURCHASE IN U.S. BUT ENCOUNTERED ALWAYS PROBLEMS OF HIGHER COST BOTH OF RICE AND TRANSPORTATION.

7. COMMENT: ARIFIN QUITE FREQUENTLY STATES THINGS IN EXTREMES. NEVERTHELESS, HE IS CLEARLY AFFECTED BY WIDE-SPREAD IMPRESSION DESPITE OUR BEST EFFORTS TO DATE THAT NEW U.S. ADMINISTRATION IS LUKEWARM ON INDONESIA. FURTHER DELAY IN IMPLEMENTING REMAINING PORTION OF FY-77 RICE ALLOCATION CAN FURTHER COMPOUND OUR PROBLEM. SITUATION COULD BE HELPED IF WE CAN SAY TO ARIFIN THAT WE ARE PLEASED TO HEAR OF INDONESIA'S INTENTION TO PURCHASE RICE IN U.S. AND WILL PROCEED WITH REMAINING PL-480 ALLOCATIONS. ADVISE LIMITED OFFICIAL USE

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OUTCOME BULLION DISCUSSIONS THIS MATTER FOLLOWING HIS RETURN WASHINGTON.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, PROCUREMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART03750
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770101-0784
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770327/aaaaaxhk.tel
Line Count: 100
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Review Exemptions: n/a
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Status: NATIVE
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TAGS: EAID, EPAP, ID, US
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